

WSDOT Performance Audits Status Update

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**Transportation Commission Meeting
July 15, 2008**



Agenda

- **Preparing for the Performance Audits**
- **Coordination with the Auditors**
- **WSDOT Audits Status Update**
- **Lessons Learned**

Preparing For the Audits

- Involve Agency Management
 - Assign a Senior Executive to monitor each audit
 - Audit Protocols
 - Audit Scope
 - Government Auditing Standards
- Coordinate with the Governor's Office GMAP Staff
- Establish a Point of Contact for Your Agency
- Establish *Working Groups*

Preparing For the Audits

- Assign Roles
 - Review the audit scope.
 - Work with agency experts.
 - Anticipate and gather information helpful for the audit before it starts.
 - Consider possible Audit Criteria.
 - Provide orientation sessions for the auditor.
 - Field questions.
 - Fill document requests.
 - Set interviews.
 - Monitor audit progress.
 - Track and report time spent.
 - Official response to audit reports.

Coordination With the Auditors

- Assign contacts for each audit objective
 - Contacts provide direction on requests for documents and interviews
- Biweekly meetings with the audit staff
- Audit conclusions and recommendations – In writing throughout the audit
- Communication
 - Early and Frequent Communication with Audit Staff
 - Regular Updates on Audit Status to Agency Executives

I. OVERVIEW: State Auditor's Office Performance Audit of -Washington State Ferries Division-

WSDOT Actions Completed to Date

WSDOT made improvements to the payroll timekeeping process at the Eagle Harbor Facility

- ✓ The Eagle Harbor Facility now uses a single form and process to track time in each of the eight shops.
- ✓ Work Requests and assignments are tracked consistently, using the same computer program for all shops at the Facility.
- ✓ The dual entry of timecard data has been eliminated by using data entered in the computerized payroll system.
- ✓ Evaluation of the current timekeeping system is complete. As a result, the Department will track additional detail for indirect time charges later this year.

Work continues to gather data and analyze overtime and indirect costs for potential savings.

WSDOT strengthened management oversight of the Eagle Harbor Facility:

- ✓ Improved performance tracking at the Facility. The performance of preventative terminal maintenance assignments, work requisitions, and labor costs compared to targets are now tracked. These measures, and others, will be refined and tracked on an ongoing basis.
- ✓ Improved business practices at the Facility, including roll out of a Quality Assurance/Quality Control program, and enhanced processes for tracking hazardous materials, as well as storm water monitoring. *This work is ongoing.*
- ✓ Improved documentation of business processes at the Facility. The Ferries Division has continued documenting business processes since the audit was complete, including over a dozen Safety Management System procedures related to the Facility that are in process. *This work is ongoing.*

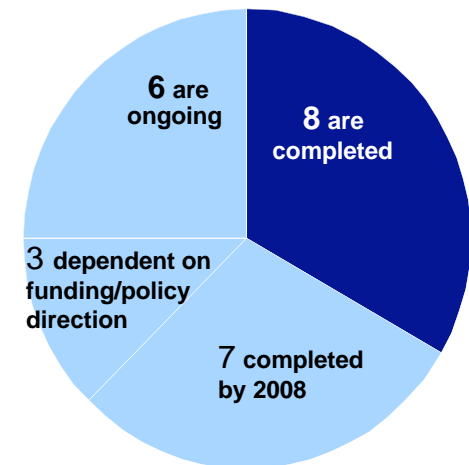
WSDOT has fully evaluated areas for potential efficiencies recommended by the audit regarding our vessel boarding policies for Eagle Harbor Facility staff

- ✓ Normal work assignments do not put the Eagle Harbor work force on vessels at peak commute times. For emergency situations, priority boarding is granted, and arranged with the terminal supervisor. *This addressed two actions steps.*

WSDOT has improved communication and information exchange among divisions within Ferries Services

- ✓ Ferries Services completed an initial reorganization after audit fieldwork to reflect the overarching importance of several operational and administrative functions at Ferries.

Status of WSDOT's 24 Actions Steps related to this SAO Performance Audit



Audit results based on 10 Audit Recommendations

II. OVERVIEW: State Auditor's Office Performance Audit of -Overhead and Administration-

What actions has WSDOT completed to date

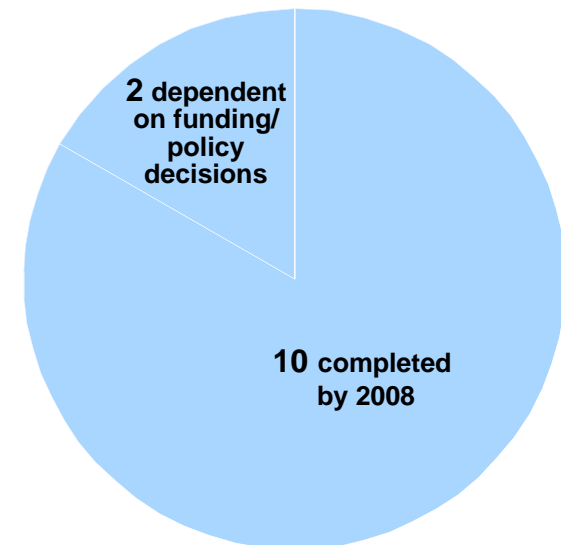
OFM has convened a work group to explore statewide solutions to payroll processing and distribution issues.

✓ WSDOT is actively participating in OFM led workgroup and sub-groups to explore statewide solutions to payroll processing and distribution issues to include:

- ☐ Move from 24 to 26 payroll periods.
- ☐ Mandatory payment by electronic fund transfer.
- ☐ Modifications to payroll delivery dates to increase time available for payroll processing.
- ☐ Elimination of paper earnings statements moving Employees to a Self Service environment accessing earnings on-line through the existing HRMS.
- ☐ Recommendations will be finalized for consideration in the 2009 legislative session.

Implementation of other actions is underway. The first actions are scheduled to be completed in July 2008. WSDOT will report on those actions at that time.

Status of WSDOT's 12 Actions Steps Related to this SAO Performance Audit



**Audit results based on
6 Audit Recommendations**

III. OVERVIEW: State Auditor's Office Performance Audit

-Managing and Reducing Congestion in Puget Sound-

What actions has WSDOT completed to date

WSDOT uses "maximum throughput" as the key performance measure for planning, prioritization, and programming.

- ✓ The 2007-26 Highway System Plan was published in December, and guides WSDOT in the development and prioritization of capital projects.

WSDOT continues to use and explore new techniques for congestion management including active traffic management.

- ✓ Presentation was given to the legislature on what WSDOT has reviewed with regards to active traffic management in the Central Puget Sound.

WSDOT and WSP met the Governor's goal to reduce 90+ minute incidents duration by 5% (to 165).

- ✓ The two agencies' partnering resulted in average duration dropping from 174 minutes to 161 minutes, a 8% reduction.

WSDOT continues to evaluate HOV policies and potential improvements.

- ✓ An HOV action plan was completed for I-5 that identified a range of near-term options to improve HOV lane speed and reliability.
- ✓ WSDOT is analyzing specific HOV performance problems and developing plans for implementation of corrective measures.

Signal retiming is an agency priority.

- ✓ WSDOT has developed a strategy for signal retiming, which identifies benefits, sets goals, and outlines actions for increased efficiencies.

WSDOT has evaluated and presented tolling options to the Legislature in the 2008 session.

- ✓ ESHB 3096 (2008 session) provided further direction on tolling, and forms a new Tolling Committee. WSDOT will participate in this Committee, which will present a report to the Legislature on SR 520 option in the 2009 session.

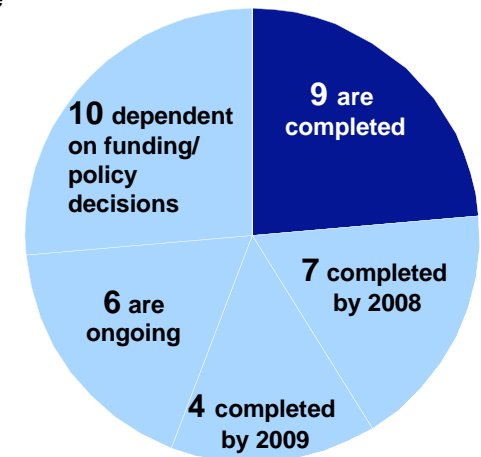
OFM has published the Attainment Report*, which includes three congestion performance measures: travel times, hours of delay, and reliability.

- ✓ WSDOT supported this effort, and publishes extensive performance information in the Gray Notebook's annual Congestion Report.**

WSDOT is working with OFM and the Legislature to explore opportunities to increase capacity through Seattle and greater Puget Sound.

- ✓ Plans to address long standing traffic chokepoints with strategic operational improvement projects on I-5 through Seattle were discussed during the 2008 session. This information is available on WSDOT's website.***

Status of WSDOT's 36 Actions Steps Related to this SAO Performance Audit



Audit results based on
22 Audit Recommendations

* Available at: http://www.ofm.wa.gov/performance/trans_progress_report_draft012908.pdf

** Available at: <http://www.wsdot.wa.gov/Accountability/Congestion/2007/>

*** Available at: http://www.wsdot.wa.gov/NR/rdonlyres/A8FFEB01-8557-44F8-9B3D-5AFDC6AAB03B/0/i5ReconstructFolio_01312008.pdf

IV. OVERVIEW: State Auditor's Office Performance Audit of -Highway Maintenance and Construction-

What actions has WSDOT completed to date?

WSDOT submitted a work plan for full implementation of the Project Management Reporting System (PMRS) to the Legislature and OFM.

- ✓ Via proviso, WSDOT must report on PMRS scope, schedule and budget. The agency has also updated the Statewide Program Management Group's (SPMG) Strategic Plan in Fall 2007, which was presented in the 2008 session.
- ✓ New system for categorizing and standardizing change orders has been deployed. Will continue to monitor and improve system as users provide feedback. This addressed two actions steps.

WSDOT purchasing-inventory procedures and systems:

- ✓ WSDOT has surveyed its seven regions on different inventory procedures to determine best practices. The results have been compared to inventory data indicating which practices achieve the best results.
- ✓ The Purchasing and Materials Manager serves as the agency's certification and training registrar. They track the agency's goal towards having two professionally trained and certified supply officers per region. This includes membership in two professional organizations offering continuing education This addressed three actions steps.
- ✓ The Purchasing and Materials Management has completed assessment of the 'Q' contracts award process. Further, Purchasing Management will incorporate the Department of General Administration's contract template into our 'Q' Contracts as appropriate. This addressed two actions steps.
- ✓ Used serviceable materials are entered into the consumable inventory system, allowing redistribution and reuse between regions.

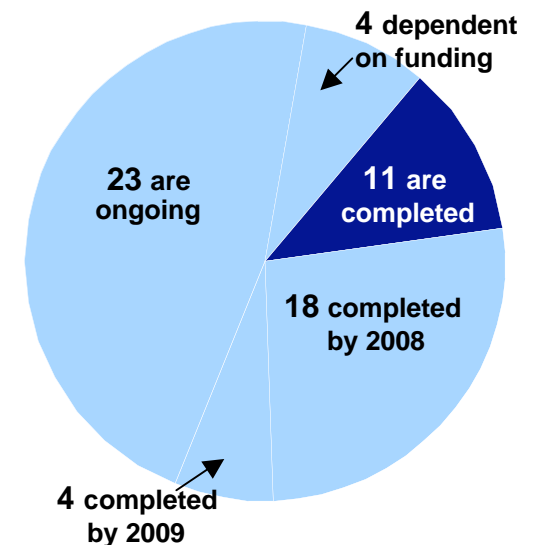
WSDOT has evaluated electric bidding opportunities.

- ✓ WSDOT staff met with Oregon DOT to investigate software systems for electronic bid submittal via the internet, and has also surveyed contractors to assess their willingness to participate. Based on contractor input, WSDOT will determine whether to proceed further, and if funding is available.

WSDOT continues its efforts to actively monitor Warm Mix Asphalt (WMA).

- ✓ The State Materials Engineer continues to participate in a national Technical Working Group and has been asked to join the steering committee for an international WMA conference. This work is ongoing
- ✓ WSDOT is assessing a potential WMA test project in 2008 in North Central Region, and a project west of the Cascades for 2008 or 2009. This work is Ongoing

Status of WSDOT's 60 Actions Related to this SAO Performance Audit



**Audit results based on
34 Audit Recommendations**

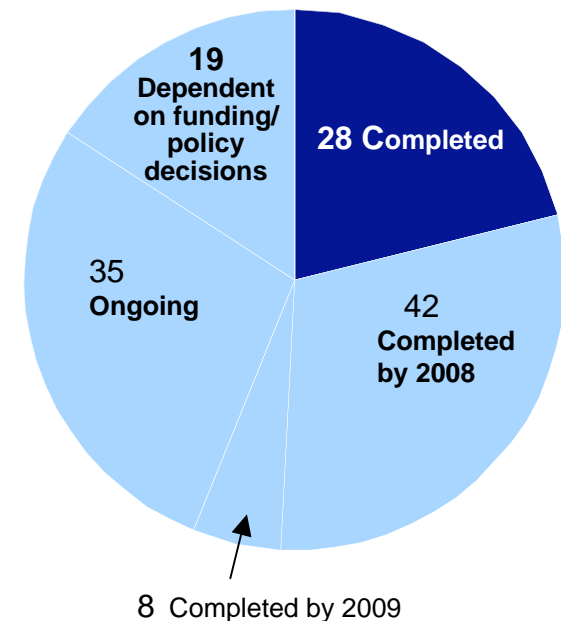
V. Summary: State Auditor's Office Performance Audits

What actions has WSDOT completed to date

The four Performance Audits resulted in 72 Audit Recommendations, which generated 132 Actions Steps. The status of those Actions Steps are as follows:

- ✓ 28 Action Steps Completed (21%)
- ✓ 42 Actions will be Completed in 2008 (32%)
- ✓ 70 Action Items are Completed or will be Completed in 2008. This represents 53% of the Action Steps. When combined with the Ongoing Action Steps, 80% or 105 will be Completed or Ongoing by the end of 2008.
- ✓ 8 Action items will be completed in 2009 (6%)
- ✓ 35 Actions are Ongoing (27%)
- ✓ 19 Action Items are dependent on funding and/or policy decisions (14%)

Status of WSDOT's 132 Actions Steps Related to this SAO Performance Audit



**Audit results based on
72 Audit Recommendations**

Lessons Learned

- **Involvement by Senior Executives**
 - Up front involvement by executives was constructive for both the Department and the State Auditor's Office
- **Facilitating Access to Staff and Records**
 - WSDOT has put much effort into this
 - Beyond simply a legal requirement
 - ✓ Helps establish much needed trust in this process
 - ✓ State Audit staff have expressed appreciation
- **Time Commitment**
 - At many levels of the organization for each audit

Lessons Learned

- Five Audits At Once
 - Unprecedented
 - Work load impacts for agency staff and management
- Cost to Implement Recommendations
 - Cost of helpful improvements is not in calculated savings
(i.e. Several New IT Systems)
- Action Steps in Response to 72 Recommendations
 - Perhaps *less is more* in terms of detail
- Good Lines of Communication

Thank You

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